NEW DECISION ITEM FORM - INSTRUCTIONS

1. AMOUNT OF REQUEST

Departments should detail the amount of the request in this section, which includes a summary table (as shown in the following example) that breaks out the total new decision item request by funding source and budget class. It also includes the number of FTE and amount of fringe benefits by funding source. Departments do not need to provide detail on specific "other funds" other than listing the "other fund" names and numbers below the summary table. A second summary table with Governor Recommendations must be included when the budget request with Governor Recommendations is printed in January.

The fringe benefits are noted in this table for informational purposes. Fringe benefits are still budgeted in House Bill 5 except for certain fringe benefits budgeted directly to MoDOT, Highway Patrol and Conservation. The fringe benefits figures in this table are calculated using formulas that reference a fringe benefit rate that is included on the top right of the budget form (outside of the print area). Departments with different fringe benefit rates should change that figure to reflect their fringe benefits expenses.

Departments should not have to enter any numbers into this table as the Excel spreadsheet automatically pulls the numbers from data entered into section 5 of the form. There are only two things departments should have to enter in this section.

1) Departments should list below the table the fund names and fund numbers for any "other funds" requested.

2) If departments are requesting "Es" (estimateds) on their appropriations, they should enter an "E" into the column to the right of the total column and footnote at the bottom of the table the specific fund(s) for which "Es" are being requested.

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FY 2009 Budget Request

	GR	Federal	Other	Total
PS	500,000	500,000	1,000,000	2,000,000
EE	1,000,000	250,000	0	1,250,000
PSD	0	0	0	0
TRF	0	0	2,000,000	2,000,000
Total	**1,500,000**	**750,000**	**3,000,000**	**5,250,000**
FTE	**5.00**	**5.00**	**11.50**	**21.50**

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Est. Fringe	*248,800*	*248,800*	*497,600*	*995,200*
Note: Fringes budgeted in House Bill 5 except for certain fringes budgeted directly to MoDOT, Highway Patrol, and Conservation.				

Other Funds: Lottery Proceeds Fund (0291)

2. CATEGORIZATION OF REQUEST

This section allows the department to indicate the category (ies) the new decision item falls under. The purpose of this section is to allow readers to easily identify the type of decision item they are

considering for funding. Departments should check the category(ies) that best fit the new decision item request.

- New legislation should be checked for requests based on legislation passed by the General Assembly.

- New program refers to a request for a new initiative or program. If the new program was legislatively authorized, the new legislation category should also be checked.

- Fund switch refers to situations where you have core cut one funding source and are asking for it to be replaced with a different fund.

- Federal mandate refers to a new decision requested because of a federal requirement or mandate.

- Program expansion should be checked for any new decision items that enhance or expand a current program.

- Cost to continue refers to a new decision item request that is needed to maintain or continue funding of an item from the previous fiscal year. The cost to continue box should not be checked for requests to expand a program. The program expansion category should be checked for such requests. A common cost to continue request would be for the cost to continue funding of a supplemental request. Cost to continue requests could also occur when an item is funded for only part of the year during the current fiscal year.

- GR pick-up refers to a new decision item request that arises because the original funding source is no longer available and general revenue funding is necessary to continue the program.

- Space request should be checked for any real estate requests. Departments do not need to fill out sections 6 (performance measures) or 7 (strategies) for space requests. See Attachment #10 for more information about real estate requests.

- Equipment replacement should be checked for any requests to replace equipment, including vehicles and office equipment. Departments do not need to fill out sections 6 (performance measures) or 7 (strategies) for equipment replacement requests.

- Pay plan should be checked for any pay plan requests, including cost of living and within grade requests. Departments do not need to fill out sections 4 (detailed assumptions), 5 (request break down), 6 (performance measures), or 7 (strategies) for pay plan requests.

- The other category can be used for any decision items that don't fit into the previously listed categories. If the other category is checked, departments should add a brief description of the category of decision item being requested on the line provided.

3. **WHY IS THIS FUNDING NEEDED?**

Use this section to provide a specific explanation of what is being requested (what the decision item entails) and why the new funding is needed. Explain the specific problem, issue, or concern this item is intended to address. "Problem" normally means a department is unable to serve the public adequately or has determined a better way to do so. Simply saying the department does not have enough money would not be an appropriate problem statement. More appropriate statements might be "50,000 Missourians are currently homeless," or "The department's 20-year-old licensing system prevents quick turn-around for license applications and renewals."

Departments should tailor their explanations in this section based on the type of decision item request they categorized it as in section 2 (categorization of request).

- For requests based on new legislation, departments should include the statutory authorization for the request.

- For new programs, departments should explain the requested program, how the idea for the program was generated, and why the program is needed.

- For fund switches, departments should provide details on the specific fund and amounts cut along with the reason for switching the funding source.

- For federal mandates, departments should provide a detailed description of the federal mandate, including any statutory references.

- For program expansions, departments should explain the current program and why an expansion is needed.

- For cost to continue requests, departments should explain the supplemental or other item that is necessitating the cost to continue.

- For GR pick-ups, departments should explain the origination of the program, the reason for the loss of the original funding source, and why the program should be continued.

- For space requests, departments should detail why they need additional space, how much space is needed, where the space is needed, and how many FTE are involved.

- For equipment replacement requests, departments should explain the status of the current equipment and why replacement equipment is needed. If replacement vehicles are requested, the department should note if the replacement has been approved by the state fleet manager.

- For pay plan requests, departments should explain the type of pay plan being requested (cost of living adjustment, within grade request, etc.) and the methodology used to calculate the pay plan amounts. Additional detail should be included if the pay plan request is different from the standard requests detailed in the budget instructions.

4. **DESCRIBE THE DETAILED ASSUMPTIONS USED TO DERIVE THE SPECIFIC REQUESTED AMOUNT**

For new decision items, budget analysts and members of the General Assembly that review agency budgets need to understand how the request has been put together and often need to do calculations for various alternative approaches. In this section, therefore, departments should describe the detailed calculations and assumptions that have been used to derive the request. Departments should explain how they determined that the requested number of FTE were appropriate. Data sources or standards should be cited so budget analysts can review the department's methodology. Departments should detail any alternatives that were considered (such as outsourcing or automation). If the new decision item request is based on new legislation, explain if the request does or does not match the fiscal note. If it does not match, explain why. Where necessary, explain the rationale for fund splits. Departments should also detail which portions of their request are one-time requests, and how those amounts were calculated.

5. **BREAK DOWN THE REQUEST BY BUDGET OBJECT CLASS, JOB CLASS, AND FUND SOURCE**

In this section, departments should provide a detailed breakdown of the new decision item request. Expense and equipment, program distribution costs and transfers should be broken down by budget object class. Personal service costs should also be identified by job class. Requests should be broken down by general revenue, federal, and other funds. FTE should be broken out by funding source and job class as well. One-time costs should be identified by object class, job class, and fund source in both the request column and the one-time column. A second table breaking down the Governor Recommendations must be included when the budget request with Governor Recommendations is printed in January.

6. PERFORMANCE MEASURES

Departments should include a limited number of significant, pertinent performance measures for each new decision item request. Departments are encouraged to use charts and graphs when possible. When charts or graphs are included, the data should also be included, either in a separate table or in the chart or graph. To the extent possible, departments should include actual performance data for the previous three fiscal years, projected performance for the current fiscal year, and targeted performance for the upcoming two fiscal years. In some instances, particularly for new programs, there will not be any prior or current year performance measurement data. In these cases, departments should just include targeted performance for the upcoming two fiscal years. If a new decision item request has an associated core, departments should separately identify projected performance with and without the additional funding. Comparative data (from other states, the United States, or the private sector) should be included whenever possible. The number of measures should be limited to six or fewer. Measures are broken out into four categories: effectiveness, efficiency, clients served, and customer satisfaction.

   a. **Effectiveness** – Departments should include at least one measure of effectiveness for each new decision item. An effectiveness measure is a measure of the program's success or impact. Effectiveness measures demonstrate what a department hopes to achieve if a particular decision item is funded. Some examples of different types of effectiveness measures include: return on investment, reduction in risk factors, change in behavior, compliance with standards and regulations, proportion of clients or customers showing improved well-being, and success in a targeted population.

   b. **Efficiency –** Departments should include at least one measure of efficiency for each new decision item. An efficiency measure is a measure of the ratio of outputs to inputs. Efficiency measures target how departments can produce a good or deliver a service with the least amount of expense and time and with the least number of errors. Common efficiency measures include cost per unit measures (how much did it cost to produce the product or deliver the service), cycle times (how long did it take to produce the product or deliver the service), and accuracy rates (how many units of the product or service were produced without error; with no rework required).

   c. **Number of Clients/Individuals Served** – Departments should include a measure of the number of clients or individuals served, if applicable.

   d. **Customer Satisfaction** – Departments should include a measure of customer satisfaction, if available.

7. STRATEGIES

Departments should use this section to identify the strategies, or specific courses of action, they intend to pursue through this decision item. Strategies are undertaken in order to accomplish the performance targets. Performance measurements target what your department will accomplish; a strategy indicates how these targets will be achieved.